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Proposed programme budget for the biennium 2014-2015

Request for a subvention to the United Nations Institute for Disarmament Research resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2014-2015

Second report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2014-2015

1. The Advisory Committee on Administrative and Budgetary Questions has considered the note by the Secretary-General (A/68/80) on the request for a subvention of $577,800 (before recosting) to the United Nations Institute for Disarmament Research (UNIDIR) resulting from the recommendations of the Board of Trustees of the Institute on the work programme of the Institute for 2014-2015. During its consideration of the request, the Advisory Committee met with the Director of the Institute, who provided additional information and clarifications.

2. The request for a subvention to UNIDIR for the biennium 2014-2015 is presented by the Secretary-General in accordance with part IV, paragraph 2, of resolution 60/248, in which the General Assembly endorsed the proposal that the request for a subvention to UNIDIR be submitted for review and approval by the Assembly on a biennial basis in the context of its consideration of the proposed programme budget for the related biennium. The Advisory Committee notes that the request is consistent with the proposal in the proposed programme budget for the biennium 2014-2015, which includes, under section 4, Disarmament, a provision for $577,800 representing the United Nations subvention to UNIDIR for the biennium (A/68/6 (Sect. 4), para. 4.44). The Committee also notes that, in the proposed programme budget, extrabudgetary resources for the Trust Fund for UNIDIR for 2014-2015 are projected at $4,290,400 (A/68/6 (Sect. 4), para. 4.22).

3. The Advisory Committee recalls that, in his note on the request for a subvention to UNIDIR for the biennium 2012-2013 (A/66/170), the Secretary-General indicated that section 4, Disarmament, of the proposed programme budget

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for the same biennium contained a provision of $577,800, representing the United Nations subvention to UNIDIR, and that this amount would be subject to subsequent recosting in accordance with the established procedures (A/66/170, para. 3). The Committee also recalls that the General Assembly, in its resolution 66/247, approved the request for a subvention of $577,800 (before recosting) to the Institute for the biennium 2012-2013 from the regular budget (sect. IV). The Committee enquired as to why the subvention for 2012-2013 was not recosted, given that the Assembly, in its resolution 66/246, deferred consideration of post-related recosting only (para. 27; see also para. 5 below), but did not receive a satisfactory response from the Secretariat. **The Advisory Committee regrets that the established procedures for recosting the subvention were not followed for the biennium 2012-2013. The Committee expects that the Secretary-General will ensure that such established procedures will be complied with in the future.**

4. The Advisory Committee requested information on the amount of the subvention proposed for 2014-2015 (at 2012-2013 revised rates) if the recosting had been applied for 2012-2013 (see table below). As shown in the table, with the inclusion of the 2012-2013 recosting amount of $60,200, the subvention at 2012-2013 revised rates would amount to $638,000. The recosting of the increased base of $638,000 would amount to $9,400 for 2014-2015 (in lieu of $8,600 with the base at $577,800, as proposed in the programme budget).

(Thousands of United States dollars)

Initial appropriation (2012-2013)	577.8
Recosting (2012-2013)	60.2
2012-2013 at revised rates	**638.0**
Proposed for 2014-2015 (before recosting)	638.0
Recosting	9.4
2014-2015 estimate	**647.4**

5. Upon enquiry, the Advisory Committee was informed that the recosting amount of $60,200 for 2012-2013 primarily reflected the exchange rate adjustments of $66,100, offset in part by a decrease of $5,900 for inflation (the amounts were recosted as non-post resources under the object code grants and contributions). The decrease of $5,900 for inflation reflected adjustments in inflation rates applicable to non-post objects of expenditure from those reported in the revised appropriation for 2010-2011, compounded for future years (based on the projected inflation rates from the *Economist*), the latest of which was reported in the revised appropriation for 2012-2013 (see A/67/592, schedule 1). The Committee was also informed, upon enquiry, of the following:

(a) For the biennium 2008-2009, the recosting amounted to $75,000, comprising $65,100 for currency and $9,900 for inflation;

(b) For the biennium 2010-2011, the recosting amounted to $70,000, comprising $73,800 for currency, offset by a decrease of $3,800 for inflation.

6. The Advisory Committee sought clarification on the original intention of the subvention in terms of the financing of specific staff positions and whether the

current level of the subvention met that objective. The Committee was informed that article VII, paragraph 2, of the UNIDIR statute provided that a subvention towards meeting the costs of the Director and the staff of the Institute may be provided from the regular budget of the United Nations. At the time of the Institute's founding, its staff consisted of the Director (D-1) and two General Service staff. The Committee was also informed that, with the exception of cost adjustments, the level of the subvention had remained static for a decade. It currently covered 84 per cent of the costs of the Director (D-2) of the Institute.

7. The Advisory Committee also requested information on the recommendations made by the Office of Internal Oversight Services (OIOS) regarding the financial sustainability of UNIDIR, including the subvention, as well as actions taken so far to implement those recommendations. The Committee was informed that OIOS had made the recommendation with respect to the development of a sustainable funding strategy in 2011 and that the Deputy Secretary-General, in a letter in June 2012, had asked the Institute to submit to the Secretary-General a proposal outlining a sustainable funding structure, comprising regular and extrabudgetary funding, required to achieve the Institute's mandate and objectives, based on the OIOS recommendation. **The Advisory Committee looks forward to the proposal for a sustainable funding strategy from the Institute.**

8. **The Advisory Committee recommends that the General Assembly approve the request for the subvention of $577,800 (before recosting) from the regular budget of the United Nations for the biennium 2014-2015, for which the provision has already been included under section 4, Disarmament, of the proposed programme budget for the same biennium.**